

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 FTC-01 L-03 /060 W

-----120105Z 009442 /63

R 111555Z FEB 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 9684

LIMITED OFFICIAL USE PARIS 04331

E.O. 11652: N/A

TAGS: ETRD, FR

SUBJECT: TENNECO-CASE ACQUISITION OF PROCLAIN

REF: (A) PARIS 2608; (B) PARIS 3836

1. ON FEBRUARY 10, PHILIP WOLF, PRESIDENT DIRECTOR GENERAL OF CASE FRANCE, TOLD EMBOFFS THAT TENNECO-CASE NEGOTIATIONS WITH GOF FOR ACQUISITION OF PROCLAIN S.A. AND ITS FOREIGN SUBSIDIARIES HAVE TAKEN FAVORABLE TURN. TENNECO PROPOSAL HAS BEEN SCREENED BY MINISTRIES OF FINANCE AND INDUSTRY. ONLY UNRESOLVED ISSUE BETWEEN TENNECO AND GOF IS PERCENTAGE INTEREST OF TENNECO IN FOREIGN SUBSIDIARIES OF PROCLAIN. TENNECO IS INSISTING ON 100 PERCENT CONTROL OF SUBSIDIARIES (COMMERCIAL OUTLETS IN FIVE EUROPEAN COUNTRIES) AS SINE QUA NON FOR ACQUISITION. ISSUE HAS BEEN BUCKED TO PM AND ELYSEES, WHERE POSITION UNTIL NOW HAS BEEN THAT MORE THAN 40 PERCENT INTEREST BY TENNECO IN PROCLAIN AND/OR ITS FOREIGN SUBSIDIARIES WOULD COMPROMISE FRENCH CHARACTER OF FIRM AND FAIL TO ASSURE MAINTENANCE OF PROCLAIN PRODUCTION AND EMPLOYMENT IN FRANCE.

2. WOLF BELIEVES TENNECO-CASE PROPOSAL HAS SUPPORT OF LIMITED OFFICIAL USE

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MINISTRIES OF FINANCE AND INDUSTRY ON TECHNICAL AND COMMERCIAL PLANE, BUT THAT POLITICAL CONSIDERATIONS ARE NOW MOVING TO THE FOREGROUND. HOWEVER, THE ECONOMIC LOGIC OF PROPOSED ACQUISITION FOR PROCLAIN AND NEED FOR RAPID ACTION BY PROCLAIN TO AVOID BANKRUPTCY PROCEEDING STILL MILITATE IN FAVOR OF GOVERNMENT APPROVAL.

3. EMBASSY CONTINUES TO CLOSELY MONITOR PROPOSED
MERGER, BUT IS TAKING NO ACTIVE ROLE IN TENNECO-GOF
NEGOTIATIONS AT THIS TIME.
RUSH

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESS MERGERS, SUBSIDIARIES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS04331
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770050-0403
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770249/aaaabrrx.tel
Line Count: 67
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: eedef5c7-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: 77 PARIS 2608, 77 PARIS 3836
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Mar-2005 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3339359
Secure: OPEN
Status: NATIVE
Subject: TENNECO-CASE ACQUISITION OF PROCLAIM
TAGS: ETRD, FR, TENNECO, PROCLAIM S A
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/eedef5c7-c288-dd11-92da-001cc4696bcc
Review Markings:
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